



Reprinted
February 28, 2006

ENGROSSED HOUSE BILL No. 1110

DIGEST OF HB 1110 (Updated February 27, 2006 6:00 pm - DI 52)

Citations Affected: IC 4-23; IC 13-11; IC 13-14; IC 13-20; IC 13-30.

Synopsis: Removal of mercury switches from motor vehicles. Requires manufacturers of motor vehicles offered for sale in Indiana to develop and implement a plan to remove, collect, recover, and recycle or dispose of certain mercury switches from end of life vehicles. Exempts from mercury switch plan development requirements motor vehicle manufacturers that have never installed mercury switches in their motor vehicles. Requires the Indiana department of environmental management (IDEM) to allow a public comment period on a plan of at least 30 days, and to act on the plan within 120 days. Requires motor vehicle recyclers to remove all mercury switches from end of life vehicles. Provides that motor vehicle recyclers include automotive salvage recyclers, automobile scrapyards, hulk crushers, scrap metal processors, and vehicle disposal facilities. Provides that mercury switch removal requirements take effect 30 days after IDEM approves a plan.

(Continued next page)

Effective: July 1, 2006.

Brown T, Wolkins, Pierce, Micon
(SENATE SPONSOR — GARD)

January 5, 2006, read first time and referred to Committee on Environmental Affairs.
January 26, 2006, amended, reported — Do Pass.
January 30, 2006, read second time, ordered engrossed. Engrossed.
February 1, 2006, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

February 6, 2006, read first time and referred to Committee on Energy and Environmental Affairs.
February 21, 2006, amended, reported favorably — Do Pass.
February 27, 2006, read second time, amended, ordered engrossed.

C
o
p
y

EH 1110—LS 6350/DI 52+



Digest Continued

Provides for a payment out of the solid waste management fund (SWMF) to a motor vehicle recycler for each mercury switch removed: (1) in an amount of at least \$1 and not more than \$5 as determined by the IDEM commissioner; and (2) to the extent that the commissioner makes money available from the SWMF for that purpose. Allows money to be redirected to the SWMF for that purpose from the Indiana recycling promotion and assistance fund and the environmental management special fund. Requires IDEM to report information on mercury switch removal to the legislative council and the environmental quality service council. Establishes the supplemental environmental project credit bank.

**C
o
p
y**



Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1110

A BILL FOR AN ACT to amend the Indiana Code concerning
environmental law.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-23-5.5-14 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. (a) The Indiana
3 recycling promotion and assistance fund is established. The purpose of
4 the fund is to promote and assist recycling throughout Indiana by
5 focusing economic development efforts on businesses and projects
6 involving recycling. The fund shall be administered by the board.
7 (b) Sources of money for the fund consist of the following:
8 (1) Appropriations from the general assembly.
9 (2) Repayment proceeds of loans made from the fund.
10 (3) Gifts and donations.
11 (4) Money from the solid waste management fund.
12 (c) Money remaining in the fund at the end of a state fiscal year
13 does not revert to the state general fund.
14 (d) The board may use money in the fund to make loans to assist:
15 (1) persons in establishing new recycling businesses;
16 (2) in the expansion of existing recycling businesses; and
17 (3) manufacturers in retrofitting equipment necessary to reuse or

EH 1110—LS 6350/DI 52+



C
o
p
y

recycle secondary materials.

(e) The board shall establish loan:

- (1) amounts;
- (2) terms; and
- (3) interest rates.

(f) The board may use money in the fund to make grants for research and development projects involving recycling. The board shall establish amounts for grants.

(g) A person, business, or manufacturer that wants a grant or loan from the fund must file an application with the board.

(h) The board shall establish criteria for awarding grants and loans under this section.

(i) The board may transfer money in the fund to the state solid waste management fund established by IC 13-20-22-2 for use by the department of environmental management to make payments under IC 13-20-17.7-6.

SECTION 2. IC 13-11-2-16.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 16.3. (a) "Automotive salvage recycler", for purposes of this chapter, means a business that:**

- (1) acquires damaged, inoperative, discarded, abandoned, or salvage motor vehicles, or their remains, as stock-in-trade;**
- (2) dismantles and processes the vehicles or remains for the reclamation and sale of reusable components and parts; and**
- (3) disposes of recyclable materials to a scrap metal processor or other appropriate facility.**

(b) This section expires July 1, 2016.

SECTION 3. IC 13-11-2-16.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 16.5. (a) "Automobile scrapyards", for purposes of this chapter, means a business organized for any of the following purposes:**

- (1) Processing scrap metal.**
- (2) Wrecking automobiles.**
- (3) Operating a junkyard.**

(b) This section expires July 1, 2016.

SECTION 4. IC 13-11-2-66.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 66.9. (a) "End of life vehicle", for purposes of IC 13-20-17.7, means a motor vehicle that is:**

- (1) sold; or**
- (2) otherwise conveyed;**

C
o
p
y



1 to a motor vehicle recycler for the purpose of recycling.

2 (b) This section expires July 1, 2016.

3 SECTION 5. IC 13-11-2-71 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 71. "Environmental
5 management laws" refers to the following:

6 (1) IC 13-12-2 and IC 13-12-3.

7 (2) IC 13-13.

8 (3) IC 13-14.

9 (4) IC 13-15.

10 (5) IC 13-16.

11 (6) IC 13-17-3-15, IC 13-17-8-10, IC 13-17-10, and IC 13-17-11.

12 (7) IC 13-18-12 and IC 13-18-15 through IC 13-18-20.

13 (8) IC 13-19-1 and IC 13-19-4.

14 (9) IC 13-20-1, IC 13-20-2, IC 13-20-4 through IC 13-20-15,
15 **IC 13-20-17.7**, and IC 13-20-19 through IC 13-20-21.

16 (10) IC 13-22.

17 (11) IC 13-23.

18 (12) IC 13-24.

19 (13) IC 13-25-1 through IC 13-25-5.

20 (14) IC 13-30, except IC 13-30-1.

21 SECTION 6. IC 13-11-2-104.5 IS ADDED TO THE INDIANA
22 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2006]: **Sec. 104.5. (a) "Hulk crusher", for**
24 **purposes of this chapter, means an enterprise that engages in the**
25 **business of handling and flattening, compacting, or otherwise**
26 **demolishing motor vehicles or their remains for economical**
27 **delivery to a scrap metal processor or other appropriate facility.**

28 (b) This section expires July 1, 2016.

29 SECTION 7. IC 13-11-2-128.8 IS ADDED TO THE INDIANA
30 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
31 [EFFECTIVE JULY 1, 2006]: **Sec. 128.8. (a) "Mercury switch", for**
32 **purposes of IC 13-20-17.7, means a convenience light switch that:**

33 (1) is located in the hood or trunk lid of a motor vehicle; and

34 (2) contains mercury.

35 (b) This section expires July 1, 2016.

36 SECTION 8. IC 13-11-2-130.1 IS ADDED TO THE INDIANA
37 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 2006]: **Sec. 130.1. (a) "Motor vehicle", for**
39 **purposes of this chapter, means a vehicle that is self-propelled on**
40 **a highway in Indiana. The term does not include a farm tractor or**
41 **a motorized bicycle.**

42 (b) This section expires July 1, 2016.

C
O
P
Y



SECTION 9. IC 13-11-2-130.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 130.2. (a) "Motor vehicle manufacturer", for purposes of this chapter, means a person that is engaged in the business of manufacturing or assembling new motor vehicles for sale to any of the following:**

- (1) Dealers.**
- (2) Wholesale dealers.**
- (3) Distributors.**
- (4) The general public.**

(b) This section expires July 1, 2016.

SECTION 10. IC 13-11-2-130.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 130.3. (a) "Motor vehicle recycler", for purposes of IC 13-20-17.7, means any of the following:**

- (1) An automotive salvage recycler.**
- (2) An automobile scrapyard.**
- (3) A hulk crusher.**
- (4) A scrap metal processor.**
- (5) A vehicle disposal facility.**

(b) This section expires July 1, 2016.

SECTION 11. IC 13-11-2-196.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 196.5. (a) "Scrap metal processor", for purposes of this chapter, means a private, commercial, or governmental enterprise:**

- (1) that has facilities for processing iron, steel, or nonferrous scrap; and**
- (2) whose principal product is scrap iron, scrap steel, or nonferrous scrap for sale for remelting purposes.**

(b) The term does not include a steel mill.

(c) This section expires July 1, 2016.

SECTION 12. IC 13-11-2-245.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 245.2. (a) "Vehicle disposal facility", for purposes of this chapter, means a person, firm, limited liability company, corporation, or other legal entity that, in the course of business, engages in the acquisition and dismantling or demolition of motor vehicles, motorcycles, semitrailers, or recreational vehicles or their remains for the benefit of reusable components and parts or recyclable materials.**

C
o
p
y



(b) The term includes the following enterprises:

(1) An automotive salvage recycler.

(2) A hulk crusher.

(c) The term does not include a scrap metal processor.

(d) This section expires July 1, 2016.

SECTION 13. IC 13-14-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) The officials collecting the following shall remit the money to the treasurer of state:

(1) Money collected under the following:

(A) IC 13-30-4-1.

(B) IC 13-30-4-2.

(C) IC 13-30-5-1.

(2) Fees collected under IC 13-16-1-2 through IC 13-16-1-5.

(b) Except as provided in subsection (c), the treasurer of state shall credit the money to the environmental management special fund.

(c) With respect to the money collected under subsection (a)(1)(A) and (a)(1)(B) from a person that produces steel or a steel product using recycled steel:

(1) the commissioner may direct the treasurer of state to credit all or a part of the money to the solid waste management fund established by IC 13-20-22-2; and

(2) the treasurer of state shall:

(A) credit money as directed by the commissioner under subdivision (1); and

(B) credit to the environmental management special fund only money that is not credited under subdivision (1).

SECTION 14. IC 13-20-17.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 17.7. Mercury Switches in End of Life Vehicles

Sec. 1. (a) Except as provided in subsection (b), motor vehicle manufacturers engaged on July 1, 2006, in the business of offering motor vehicles for sale in Indiana shall, individually or collectively:

(1) develop a plan to:

(A) remove;

(B) collect;

(C) recover; and

(D) recycle or dispose of;

mercury switches from end of life vehicles;

(2) submit the plan to the commissioner before October 1, 2006; and

(3) implement the plan as required under section 4(b) of this

**C
O
P
Y**



chapter.

(b) Subsection (a) does not apply to a motor vehicle manufacturer that has never installed mercury switches in the manufacturer's motor vehicles.

Sec. 2. (a) A plan described in section 1 of this chapter must include the following:

(1) An education program concerning the purposes of the mercury switch collection program and how to participate in the program, including the following:

(A) Educational materials about the program.

(B) Information identifying which end of life vehicles might contain mercury switches by make, model, and year of manufacture.

(C) Instructions on safe and environmentally sound methods to remove mercury switches.

(2) The provision of containers for collecting and storing mercury switches.

(3) Procedures for the transportation of mercury switches to recycling, storage, or disposal facilities.

(4) Procedures for the recycling, storage, and disposal of mercury.

(5) Procedures to track the progress of the program, including a description of performance measures to be used and reported to demonstrate that the program is meeting measures of the effectiveness of the program, including the following:

(A) The number of mercury switches collected from end of life vehicles.

(B) The amount of mercury collected.

(6) Procedures for implementing the plan.

(b) The department shall:

(1) prepare an annual report that includes the information tracked under subsection (a)(5); and

(2) provide the report to:

(A) the legislative council in an electronic format under IC 5-14-6; and

(B) the environmental quality service council.

Sec. 3. Motor vehicle manufacturers that submit plans, individually or collectively, under this chapter shall pay the following costs incurred for implementing the plans:

(1) Educational materials.

(2) Training.

C
o
p
y



(3) Packaging for transporting mercury switches to recycling, storage, or disposal facilities.

(4) Shipping of mercury switches to recycling, storage, or disposal facilities.

(5) Recycling, storage, or disposal of mercury switches.

(6) Maintenance of all appropriate systems and procedures to protect the environment from mercury contamination.

Sec. 4. (a) The commissioner shall do the following:

(1) Not more than thirty (30) days after receiving a plan developed by a motor vehicle manufacturer or a group of motor vehicle manufacturers under section 1 of this chapter, issue a public notice of a period of at least thirty (30) days during which the public may submit written comments on the plan to the commissioner.

(2) Not more than one hundred twenty (120) days after receiving a plan, determine whether the entire plan complies with this chapter and:

(A) if the entire plan complies with this chapter, approve the plan in its entirety;

(B) if no part of the plan complies with this chapter, reject the plan in its entirety; or

(C) if only part of the plan complies with this chapter, approve that part and reject the rest of the plan.

(b) If a plan is approved in its entirety under subsection (a)(2)(A), the motor vehicle manufacturers shall begin implementing the plan not more than thirty (30) days after the date the plan is approved. If an entire plan is rejected under subsection (a)(2)(B), the commissioner shall inform the motor vehicle manufacturers why the plan was rejected, and the manufacturers shall submit a new plan not more than thirty (30) days after the commissioner informs the manufacturers that the entire plan was rejected. If a plan is approved in part and rejected in part under subsection (a)(2)(C), the manufacturers shall immediately implement the approved part of the plan and submit a revision of the rejected part of the plan not more than thirty (30) days after the commissioner informs the manufacturers of the commissioner's partial approval. The commissioner shall make a determination on a revised plan not more than thirty (30) days after receiving the revised plan.

(c) Not more than two hundred forty (240) days after receiving a plan developed by motor vehicle manufacturers under section 1 of this chapter, the commissioner shall complete, on behalf of the

**C
o
p
y**



1 manufacturer, any part of the plan that has not yet been approved.

2 (d) After a plan has been approved under this section, the
3 commissioner shall:

4 (1) review the plan three (3) years after the original date of
5 approval of the plan and every three (3) years thereafter; and

6 (2) work with the motor vehicle manufacturers to agree with
7 the manufacturers on appropriate modifications to the plan.

8 (e) Motor vehicle manufacturers are not required to resubmit
9 a plan modified under subsection (d) to the commissioner for
10 approval.

11 Sec. 5. (a) Beginning thirty (30) days after the earliest date the
12 commissioner approves a plan under section 4 of this chapter, a
13 motor vehicle recycler is required to remove all mercury switches
14 from each end of life vehicle the motor vehicle recycler receives
15 upon receipt of the vehicle.

16 (b) After a mercury switch is removed from a vehicle, the
17 mercury switch shall be collected, stored, transported, and
18 otherwise handled in accordance with the plan approved under
19 section 4 of this chapter.

20 (c) Notwithstanding subsection (a), a motor vehicle recycler may
21 accept an end of life vehicle containing mercury switches that has
22 not been intentionally flattened, crushed, or baled if the motor
23 vehicle recycler assumes responsibility for removing the mercury
24 switches.

25 (d) A motor vehicle recycler or any other person that removes
26 mercury switches in accordance with this section shall maintain
27 records that document the number of:

28 (1) end of life vehicles the person processed for recycling;

29 (2) end of life vehicles the person processed that contained
30 mercury switches; and

31 (3) mercury switches the person collected.

32 A person that maintains records under this section shall retain the
33 records for at least three (3) years.

34 (e) A person may not represent that mercury switches have been
35 removed from a motor vehicle being sold or otherwise conveyed
36 for recycling if the person has not removed the mercury switches
37 from the vehicle.

38 (f) A motor vehicle recycler or other person that receives an
39 intentionally flattened, crushed, or baled end of life vehicle may not
40 be considered to be in violation of this section if a mercury switch
41 is found in the vehicle after the person acquires the vehicle.

42 Sec. 6. (a) Subject to subsections (b), (c), and (d), a person is

C
o
p
y



entitled to payment from the department for each mercury switch the person removes from an end of life vehicle under section 5(a) of this chapter.

(b) The commissioner shall establish:

(1) the amount of the payment under subsection (a), which must be:

(A) at least one dollar (\$1); and

(B) not more than five dollars (\$5);

per mercury switch; and

(2) a procedure for claims for payment under this section.

(c) The commissioner shall determine:

(1) whether to use money in the state solid waste management fund; and

(2) if the commissioner determines under subdivision (1) to use money in that fund, the amount of money from the fund to be used;

to make payments under this section.

(d) The department is required to make payments under this section only to the extent of the amount of money determined by the commissioner under subsection (c)(2).

Sec. 7. The board may adopt rules under IC 4-22-2 and IC 13-14-9 to implement this chapter.

Sec. 8. (a) This chapter shall be enforced under IC 13-30-3.

(b) A violation of this chapter or a rule adopted under this chapter is subject to the penalties set forth in the following:

(1) IC 13-30-4.

(2) IC 13-30-5.

(3) IC 13-30-6.

(4) IC 13-30-8.

Sec. 9. This chapter expires July 1, 2016.

SECTION 15. IC 13-20-22-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) The state solid waste management fund is established to provide money for the following:

(1) Programs that provide grants and loans that provide education and promote the following:

(A) Recycling and the use of recycled materials.

(B) Waste reduction.

(C) Management of yard waste.

(2) Providing grants to implement household hazardous waste source reduction or recycling projects.

(3) Providing grants for household hazardous waste and

C
o
p
y



1 conditionally exempting small quantity generator waste
2 collection, recycling, or disposal projects under IC 13-20-20.

3 **(4) Payments by the department under IC 13-20-17.7-6.**

4 (b) The expenses of administering the fund shall be paid from
5 money in the fund.

6 (c) The sources of money for the fund are the following:

7 (1) All fees deposited into the fund under section 12(2) of this
8 chapter.

9 (2) Accrued interest and other investment earnings of the fund.

10 (3) Appropriations made by the general assembly.

11 (4) Gifts and donations from any person to the fund.

12 **(5) Civil penalties imposed under IC 13-30-4 and fines**
13 **imposed under IC 13-30-6 for violations of IC 13-20-17.7.**

14 **(6) Subject to subsection (f), assets assigned and other**
15 **contributions made by persons that produce steel or a steel**
16 **product using recycled steel.**

17 **(7) Transfers from the Indiana recycling promotion and**
18 **assistance fund under IC 4-23-5.5-14(i).**

19 (d) The treasurer of state shall invest the money in the fund not
20 currently needed to meet the obligations of the fund in the same
21 manner as other public money may be invested.

22 (e) Money in the fund at the end of a state fiscal year does not revert
23 to the state general fund.

24 **(f) Money in the fund resulting from assets assigned and other**
25 **contributions made under subsection (c)(6) may be used only by**
26 **the department of environmental management to make payments**
27 **under IC 13-20-17.7-6.**

28 SECTION 16. IC 13-30-4.5 IS ADDED TO THE INDIANA CODE
29 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2006]:

31 **Chapter 4.5. Supplemental Environmental Project Credit Bank**
32 **Sec. 1. The commissioner may allow:**

33 **(1) entities regulated by the department to bank the**
34 **documented value, as determined by the commissioner, of**
35 **environmentally beneficial activities that:**

36 **(A) contribute to the removal of mercury from the**
37 **environment; and**

38 **(B) are not required by law or by rule; and**

39 **(2) persons that produce steel or a steel product using**
40 **recycled steel to bank the actual value of contributions by the**
41 **person to the solid waste management fund under**
42 **IC 13-20-22-2(c)(6).**

C
o
p
y



1 **Sec. 2.** Subject to sections 3 and 4 of this chapter, the value of
 2 the credits of a regulated entity in the bank may be used to pay a
 3 portion of any gravity based penalty otherwise collectible under
 4 IC 13-30-4 that is assessed against that regulated entity after the
 5 date the credit is established.

6 **Sec. 3. (a)** Subject to subsection (b), the part of a regulated
 7 entity's assessed gravity based penalty that may be satisfied by the
 8 entity's credit balance in the bank may not exceed the product of:

9 (1) the amount of the penalty; multiplied by

10 (2) a percentage determined by the commissioner.

11 (b) The commissioner may not determine a percentage under
 12 subsection (a)(2) that exceeds ninety percent (90%).

13 **Sec. 4. (a)** Except as provided in subsection (b), the
 14 commissioner shall reduce the credit value of the credits in the
 15 bank by a factor determined by the commissioner so that the actual
 16 credit against an assessed gravity based penalty is not less than ten
 17 percent (10%) and not more than eighty percent (80%) of the
 18 nominal value of the credits.

19 (b) Subsection (a) does not apply to credits in the bank that
 20 result from cash contributions under section 1(2) of this chapter.

21 **Sec. 5.** This chapter expires July 1, 2016.

**C
o
p
y**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1110, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 10.

Page 2, line 13, after "66.9." insert "(a)".

Page 2, between lines 18 and 19, begin a new paragraph and insert:
"(b) This section expires July 1, 2016."

Page 2, delete lines 37 through 42.

Page 3, delete lines 1 through 10.

Page 3, line 13, after "128.8." insert "(a)".

Page 3, line 14, delete ":" and insert **"a convenience light switch that:**

(1) is located in the hood or trunk lid of a motor vehicle; and

(2) contains mercury."

Page 3, delete lines 15 through 42, begin a new paragraph and insert:

"(b) This section expires July 1, 2016.

SECTION 4. IC 13-11-2-128.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 128.9. (a) "Mercury switch recovery rate", for purposes of IC 13-20-17.7, means:**

(1) the number of mercury switches recovered from end of life vehicles under IC 13-20-17.7 during a calendar year; divided by

(2) the total number of mercury switches available for recovery from end of life vehicles during the calendar year.

(b) This section expires July 1, 2016.

SECTION 5. IC 13-20-17.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 17.7. Mercury Switches in End of Life Vehicles

Sec. 1. Manufacturers of motor vehicles engaged on July 1, 2006, in the business of offering motor vehicles for sale in Indiana shall, individually or collectively:

(1) develop a plan to:

(A) remove;

(B) collect;

(C) recover; and

(D) recycle or dispose of;

EH 1110—LS 6350/DI 52+



C
o
p
y

- mercury switches from end of life vehicles;
- (2) submit the plan to the commissioner before January 1, 2007; and
- (3) implement the plan as required under section 4(b) of this chapter.

Sec. 2. A plan described in section 1 of this chapter must include the following:

- (1) Identification of vehicle recyclers and scrap recyclers in Indiana.
- (2) An education program concerning the purposes of the mercury switch collection program and how to participate in the program, including the following:
 - (A) Educational materials about the program.
 - (B) Information identifying which end of life vehicles contain mercury switches by make, model, and year of manufacture.
 - (C) Instructions on safe and environmentally sound methods to remove mercury switches.
- (3) The provision of containers for collecting and storing mercury switches.
- (4) Procedures for the transportation of mercury switches to recycling, storage, or disposal facilities.
- (5) Procedures for the recycling, storage, and disposal of mercury.
- (6) Procedures to track the progress of the program, including a description of performance measures to be used and reported to demonstrate that the program is meeting the recovery rate goals established in subdivision (8) and other measures of the effectiveness of the program, including the following:
 - (A) The number of mercury switches collected from end of life vehicles.
 - (B) The amount of mercury collected.
 - (C) The number of end of life vehicles containing mercury switches.
 - (D) The number of end of life vehicles processed for recycling.
- (7) Procedures for implementing the plan.
- (8) Mercury switch recovery rate goals of at least:
 - (A) thirty-three and three-tenths percent (33.3%) in 2007;
 - (B) seventy percent (70%) in 2008;
 - (C) eighty percent (80%) in 2009; and

**C
O
P
Y**



(D) ninety percent (90%) in 2010 and thereafter.

(9) A description of additional or alternative actions that must be implemented to improve the plan and its operation if the recovery rate goals established in subdivision (8) are not met.

Sec. 3. Motor vehicle manufacturers that submit plans, individually or collectively, under this chapter shall pay the following costs incurred for implementing the plans:

- (1) Educational materials.**
- (2) Training.**
- (3) Packaging for transporting mercury switches to recycling, storage, or disposal facilities.**
- (4) Shipping of mercury switches to recycling, storage, or disposal facilities.**
- (5) Recycling, storage, or disposal of mercury switches.**
- (6) Public education materials and presentations.**
- (7) Maintenance of all appropriate systems and procedures to protect the environment from mercury contamination.**

Sec. 4. (a) The commissioner shall do the following:

- (1) Not more than thirty (30) days after receiving a plan developed by a motor vehicle manufacturer or a group of motor vehicle manufacturers under section 1 of this chapter, issue a public notice and solicit public comment on the plan.**
- (2) Not more than ninety (90) days after receiving a plan, determine whether the entire plan complies with this chapter and:**

- (A) if the entire plan complies with this chapter, approve the plan in its entirety;**
- (B) if no part of the plan complies with this chapter, reject the plan in its entirety; or**
- (C) if only part of the plan complies with this chapter, approve that part and reject the rest of the plan.**

(b) If a plan is approved in its entirety under subsection (a)(2)(A), the motor vehicle manufacturers shall begin implementing the plan not more than thirty (30) days after the date the plan is approved. If an entire plan is rejected under subsection (a)(2)(B), the commissioner shall inform the motor vehicle manufacturers why the plan was rejected, and the manufacturers shall submit a new plan not more than thirty (30) days after the commissioner informs the manufacturers that the entire plan was rejected. If a plan is approved in part and rejected in part under subsection (a)(2)(C), the manufacturers shall immediately implement the approved part of the plan and submit a revision of

**C
O
P
Y**



the rejected part of the plan not more than thirty (30) days after the commissioner informs the manufacturers of the commissioner's partial approval. The commissioner shall review a revised plan not more than thirty (30) days after receiving the revised plan.

(c) Not more than two hundred forty (240) days after receiving a plan developed by motor vehicle manufacturers under section 1 of this chapter, the commissioner shall complete, on behalf of the manufacturer, any part of the plan that has not yet been approved.

(d) After a plan has been approved under this section, the commissioner shall:

- (1) review the plan three (3) years after the original date of approval of the plan and every three (3) years thereafter; and
- (2) require the motor vehicle manufacturers to modify the plan as appropriate.

Sec. 5. (a) A person that sells, gives, or otherwise conveys ownership of an end of life vehicle to a scrap recycling facility for recycling shall remove all mercury switches from the vehicle before delivering the vehicle to the facility.

(b) After a mercury switch is removed from a vehicle, the mercury switch shall be collected, stored, transported, and otherwise handled in accordance with the plan approved under section 4 of this chapter.

(c) Notwithstanding subsection (a), a scrap recycling facility may accept an end of life vehicle containing mercury switches that has not been intentionally flattened, crushed, or baled if the scrap recycling facility assumes responsibility for removing the mercury switches.

(d) A vehicle recycler, scrap recycling facility, or any other person that removes mercury switches in accordance with this section shall maintain records that document the number of:

- (1) end of life vehicles the person processed for recycling;
- (2) end of life vehicles the person processed that contained mercury switches; and
- (3) mercury switches the person collected.

(e) A person may not represent that mercury switches have been removed from a motor vehicle being sold or otherwise conveyed for recycling if the person has not removed the mercury switches from the vehicle.

(f) A scrap recycling facility or other person that receives an intentionally flattened, crushed, or baled end of life vehicle may not be considered to be in violation of this section if a mercury switch is found in the vehicle after the person acquires the vehicle.

**C
O
P
Y**



Sec. 6. The board may adopt rules under IC 4-22-2 and IC 13-14-9 to implement this chapter.

Sec. 7. (a) This chapter shall be enforced under IC 13-30-3.

(b) A violation of this chapter or a rule adopted under this chapter is subject to the penalties set forth in the following:

(1) IC 13-30-4.

(2) IC 13-30-5.

(3) IC 13-30-6.

(4) IC 13-30-8.

Sec. 8. This chapter expires July 1, 2016."

Delete pages 4 through 9.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1110 as introduced.)

WOLKINS, Chair

Committee Vote: yeas 8, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Energy and Environmental Affairs, to which was referred House Bill No. 1110, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-23-5.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. (a) The Indiana recycling promotion and assistance fund is established. The purpose of the fund is to promote and assist recycling throughout Indiana by focusing economic development efforts on businesses and projects involving recycling. The fund shall be administered by the board.

(b) Sources of money for the fund consist of the following:

(1) Appropriations from the general assembly.

(2) Repayment proceeds of loans made from the fund.

(3) Gifts and donations.

(4) Money from the solid waste management fund.

(c) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund.

EH 1110—LS 6350/DI 52+



C
o
p
y

- (d) The board may use money in the fund to make loans to assist:
 - (1) persons in establishing new recycling businesses;
 - (2) in the expansion of existing recycling businesses; and
 - (3) manufacturers in retrofitting equipment necessary to reuse or recycle secondary materials.
- (e) The board shall establish loan:
 - (1) amounts;
 - (2) terms; and
 - (3) interest rates.
- (f) The board may use money in the fund to make grants for research and development projects involving recycling. The board shall establish amounts for grants.
- (g) A person, business, or manufacturer that wants a grant or loan from the fund must file an application with the board.
- (h) The board shall establish criteria for awarding grants and loans under this section.
- (i) The board may transfer money in the fund to the state solid waste management fund established by IC 13-20-22-2 for use by the department of environmental management to make payments under IC 13-20-17.7-6.**

SECTION 2. IC 13-11-2-16.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 16.3. "Automotive salvage recycler", for purposes of this chapter, means a business that:**

- (1) acquires damaged, inoperative, discarded, abandoned, or salvage motor vehicles, or their remains, as stock-in-trade;**
- (2) dismantles and processes the vehicles or remains for the reclamation and sale of reusable components and parts; and**
- (3) disposes of recyclable materials to a scrap metal processor or other appropriate facility.**

SECTION 3. IC 13-11-2-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 16.5. "Automobile scrapyard", for purposes of this chapter, means a business organized for any of the following purposes:**

- (1) Processing scrap metal.**
- (2) Wrecking automobiles.**
- (3) Operating a junkyard."**

Page 1, line 7, delete "or scrap recycling facility".

Page 2, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 6. IC 13-11-2-104.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

C
o
p
y



[EFFECTIVE JULY 1, 2006]: **Sec. 104.5. "Hulk crusher"**, for purposes of this chapter, means an enterprise that engages in the business of handling and flattening, compacting, or otherwise demolishing motor vehicles or their remains for economical delivery to a scrap metal processor or other appropriate facility."

Page 2, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 9. IC 13-11-2-130.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 130.1. "Motor vehicle"**, for purposes of this chapter, means a vehicle that is self-propelled on a highway in Indiana. The term does not include a farm tractor or a motorized bicycle.

SECTION 10. IC 13-11-2-130.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 130.2. "Motor vehicle manufacturer"**, for purposes of this chapter, means a person that is engaged in the business of manufacturing or assembling new motor vehicles for sale to any of the following:

- (1) Dealers.
- (2) Wholesale dealers.
- (3) Distributors.
- (4) The general public.

SECTION 11. IC 13-11-2-130.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 130.3. "Motor vehicle recycler"**, for purposes of IC 13-20-17.7, means any of the following:

- (1) An automotive salvage recycler.
- (2) An automobile scrapyard.
- (3) A hulk crusher.
- (4) A scrap metal processor.
- (5) A vehicle disposal facility.

SECTION 12. IC 13-11-2-196.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 196.5. "Scrap metal processor"**, for purposes of this chapter, means a private, commercial, or governmental enterprise:

- (1) that has facilities for processing iron, steel, or nonferrous scrap; and
- (2) whose principal product is scrap iron, scrap steel, or nonferrous scrap for sale for remelting purposes.

SECTION 13. IC 13-11-2-245.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

C
o
p
y



[EFFECTIVE JULY 1, 2006]: **Sec. 245.2. (a) "Vehicle disposal facility", for purposes of this chapter, means a person, firm, limited liability company, corporation, or other legal entity that, in the course of business, engages in the acquisition and dismantling or demolition of motor vehicles, motorcycles, semitrailers, or recreational vehicles or their remains for the benefit of reusable components and parts or recyclable materials.**

(b) The term includes the following enterprises:

(1) An automotive salvage recycler.

(2) A hulk crusher.

(c) The term does not include a scrap metal processor."

Page 2, line 32, delete "Manufacturers of motor vehicles" and insert **"(a) Except as provided in subsection (b), motor vehicle manufacturers"**.

Page 2, line 41, delete "January 1," and insert **"October 1, 2006;"**.

Page 2, line 42, delete "2007;"

Page 3, between lines 2 and 3, begin a new paragraph and insert:

"(b) Subsection (a) does not apply to a motor vehicle manufacturer that has never installed mercury switches in the manufacturer's motor vehicles."

Page 3, line 3, after "Sec. 2." insert **"(a)"**.

Page 3, delete lines 5 through 6.

Page 3, line 7, delete "(2)" and insert **"(1)"**.

Page 3, line 11, after "vehicles" insert **"might"**.

Page 3, line 16, delete "(3)" and insert **"(2)"**.

Page 3, line 18, delete "(4)" and insert **"(3)"**.

Page 3, line 20, delete "(5)" and insert **"(4)"**.

Page 3, line 22, delete "(6)" and insert **"(5)"**.

Page 3, line 25, delete "subdivision (8)" and insert **"subdivision (7)"**.

Page 3, line 35, delete "(7)" and insert **"(6)"**.

Page 3, line 36, delete "(8)" and insert **"(7)"**.

Page 3, line 40, delete "and thereafter." and insert **"through 2016."**

Page 3, line 41, delete "(9)" and insert **"(8)"**.

Page 4, between lines 1 and 2, begin a new paragraph and insert:

"(b) The department shall:

(1) prepare an annual report that includes the information tracked under subsection (a)(5); and

(2) provide the report to:

(A) the legislative council in an electronic format under IC 5-14-6; and

(B) the environmental quality service council."

**C
o
p
y**



Page 4, line 19, delete "and solicit public comment on the plan." and insert **"of a period of at least thirty (30) days during which the public may submit written comments on the plan to the commissioner."**.

Page 4, line 20, delete "ninety (90)" and insert **"one hundred twenty (120)"**.

Page 4, line 42, delete "review" and insert **"make a determination on"**.

Page 5, line 10, after "modify" insert **"and implement"**.

Page 5, delete lines 12 through 15, begin a new paragraph and insert:

"Sec. 5. (a) Beginning thirty (30) days after the earliest date the commissioner approves a plan under section 4 of this chapter, a motor vehicle recycler is required to remove all mercury switches from each end of life vehicle the motor vehicle recycler receives upon receipt of the vehicle."

Page 5, line 20, delete "scrap recycling facility" and insert **"motor vehicle recycler"**.

Page 5, line 22, delete "scrap" and insert **"motor vehicle recycler"**.

Page 5, line 23, delete "recycling facility".

Page 5, line 25, delete "vehicle recycler, scrap recycling facility," and insert **"motor vehicle recycler"**.

Page 5, line 36, delete "scrap recycling facility" and insert **"motor vehicle recycler"**.

Page 5, between lines 39 and 40, begin a new paragraph and insert:

"Sec. 6. (a) Subject to subsections (b), (c), and (d), a person is entitled to payment from the department for each mercury switch the person removes from an end of life vehicle under section 5(a) of this chapter.

(b) The commissioner shall establish:

(1) the amount of the payment under subsection (a), which must be:

(A) at least one dollar (\$1); and

(B) not more than five dollars (\$5);

per mercury switch; and

(2) a procedure for claims for payment under this section.

(c) The commissioner shall determine:

(1) whether to use money in the state solid waste management fund; and

(2) if the commissioner determines under subdivision (1) to use money in that fund, the amount of money from the fund to be used;

**C
O
P
Y**



to make payments under this section.

(d) The department is required to make payments under this section only to the extent of the amount of money determined by the commissioner under subsection (c)(2)."

Page 5, line 40, delete "Sec. 6." and insert "**Sec. 7.**".

Page 5, line 42, delete "Sec. 7." and insert "**Sec. 8.**".

Page 6, line 7, delete "Sec. 8." and insert "**Sec. 9.**".

Page 6, after line 7, begin a new paragraph and insert:

"SECTION 15. IC 13-20-22-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) The state solid waste management fund is established to provide money for the following:

(1) Programs that provide grants and loans that provide education and promote the following:

(A) Recycling and the use of recycled materials.

(B) Waste reduction.

(C) Management of yard waste.

(2) Providing grants to implement household hazardous waste source reduction or recycling projects.

(3) Providing grants for household hazardous waste and conditionally exempting small quantity generator waste collection, recycling, or disposal projects under IC 13-20-20.

(4) Payments by the department under IC 13-20-17.7-6.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The sources of money for the fund are the following:

(1) All fees deposited into the fund under section 12(2) of this chapter.

(2) Accrued interest and other investment earnings of the fund.

(3) Appropriations made by the general assembly.

(4) Gifts and donations from any person to the fund.

(5) Civil penalties imposed under IC 13-30-4 and fines imposed under IC 13-30-6 for violations of IC 13-20-17.7.

(6) Subject to subsection (f), assets assigned and other contributions made by persons interested in reducing mercury emissions into the environment.

(7) Transfers from the Indiana recycling promotion and assistance fund under IC 4-23-5.5-14(i).

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert

C
o
p
y



to the state general fund.

(f) Money in the fund resulting from assets assigned and other contributions made under subsection (c)(6) may be used only by the department of environmental management to make payments under IC 13-20-17.7-6.

SECTION 16. IC 13-30-4.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 4.5. Supplemental Environmental Project Credit Bank

Sec. 1. The commissioner may allow entities regulated by the department to bank:

- (1) the documented value, as determined by the commissioner, of environmentally beneficial activities that are not required by law or by rule; and**
- (2) the actual value of contributions by the regulated entity to the solid waste management fund under IC13-20-22-2(c)(6).**

Sec. 2. Subject to sections 3 and 4 of this chapter, the value of the credits of a regulated entity in the bank may be used to pay a portion of any gravity based penalty otherwise collectable under IC 13-30-4 that is assessed against that regulated entity after the date the credit is established.

Sec. 3. (a) Subject to subsection (b), the part of a regulated entity's assessed gravity based penalty that may be satisfied by the entity's credit balance in the bank may not exceed the product of:

- (1) the amount of the penalty; multiplied by**
- (2) a percentage determined by the commissioner.**

(b) The commissioner may not determine a percentage under subsection (a)(2) that exceeds ninety percent (90%).

Sec. 4. (a) Except as provided in subsection (b), the commissioner shall reduce the credit value of the credits in the bank by a factor determined by the commissioner so that the actual credit against an assessed gravity based penalty is not less than ten percent (10%) and not more than eighty percent (80%) of the nominal value of the credits.

(b) Subsection (a) does not apply to credits in the bank that result from cash contributions under section 1(2) of this chapter."

**C
o
p
y**



Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to HB 1110 as printed January 27, 2006.)

GARD, Chairperson

Committee Vote: Yeas 7, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1110 be amended to read as follows:

- Page 2, line 19, after "16.3." insert "(a)".
- Page 2, between lines 26 and 27, begin a new paragraph and insert:
"**(b) This section expires July 1, 2016.**"
- Page 2, line 29, after "16.5." insert "(a)".
- Page 2, between lines 34 and 35, begin a new paragraph and insert:
"**(b) This section expires July 1, 2016.**"
- Page 3, line 21, after "104.5." insert "(a)".
- Page 3, between lines 25 and 26, begin a new paragraph and insert:
"**(b) This section expires July 1, 2016.**"
- Page 3, delete lines 33 through 42.
- Page 4, line 3, after "130.1." insert "(a)".
- Page 4, between lines 6 and 7, begin a new paragraph and insert:
"**(b) This section expires July 1, 2016.**"
- Page 4, line 9, after "130.2." insert "(a)".
- Page 4, between lines 16 and 17, begin a new paragraph and insert:
"**(b) This section expires July 1, 2016.**"
- Page 4, line 19, after "130.3." insert "(a)".
- Page 4, between lines 25 and 26, begin a new paragraph and insert:
"**(b) This section expires July 1, 2016.**"
- Page 4, line 28, after "196.5." insert "(a)".
- Page 4, between lines 34 and 35, begin a new paragraph and insert:
"**(b) The term does not include a steel mill.**"
- (c) This section expires July 1, 2016.**
- Page 5, between lines 5 and 6, begin a new paragraph and insert:
"**(d) This section expires July 1, 2016.**"

SECTION 14. IC 13-14-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) The officials collecting the following shall remit the money to the treasurer of state:

EH 1110—LS 6350/DI 52+



C
o
p
y

(1) Money collected under the following:

(A) IC 13-30-4-1.

(B) IC 13-30-4-2.

(C) IC 13-30-5-1.

(2) Fees collected under IC 13-16-1-2 through IC 13-16-1-5.

(b) **Except as provided in subsection (c),** the treasurer of state shall credit the money to the environmental management special fund.

(c) **With respect to the money collected under subsection (a)(1)(A) and (a)(1)(B) from a person that produces steel or a steel product using recycled steel:**

(1) **the commissioner may direct the treasurer of state to credit all or a part of the money to the solid waste management fund established by IC 13-20-22-2; and**

(2) **the treasurer of state shall:**

(A) **credit money as directed by the commissioner under subdivision (1); and**

(B) **credit to the environmental management special fund only money that is not credited under subdivision (1)."**

Page 6, line 3, after "meeting" delete "the".

Page 6, delete line 4.

Page 6, delete lines 10 through 13.

Page 6, delete lines 15 through 22.

Page 6, delete line 40.

Page 6, line 41, delete "(7)" and insert "(6)".

Page 7, line 41, delete "require" and insert "work with".

Page 7, line 41, delete "modify and" and insert "agree with the manufacturers on appropriate modifications to the plan."

(e) **Motor vehicle manufacturers are not required to resubmit a plan modified under subsection (d) to the commissioner for approval."**

Page 7, delete line 42.

Page 8, between lines 21 and 22, begin a new line blocked left and insert:

"A person that maintains records under this section shall retain the records for at least three (3) years."

Page 10, line 3, delete "interested in reducing" and insert "that produce steel or a steel product using recycled steel."

Page 10, delete line 4.

Page 10, line 20, delete "allow" and insert "allow:

(1) **entities regulated by the department to bank the documented value, as determined by the commissioner, of environmentally beneficial activities that:**

C
o
p
y



(A) contribute to the removal of mercury from the environment; and

(B) are not required by law or by rule; and

(2) persons that produce steel or a steel product using recycled steel to bank the actual value of contributions by the person to the solid waste management fund under IC 13-20-22-2(c)(6)."

Page 10, line 20, delete "entities regulated by the".

Page 10, delete lines 21 through 26.

Page 10, line 29, delete "collectable" and insert "collectible".

Page 11, after line 4, begin a new paragraph and insert:

"Sec. 5. This chapter expires July 1, 2016."

Re-number all SECTIONS consecutively.

(Reference is to EHB 1110 as printed February 22, 2006.)

GARD

C
o
p
y

